



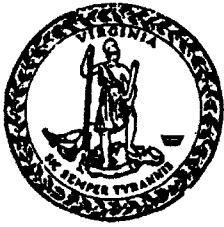
INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

*Pittsylvania County Administration Building; Main Conference Room;
1 Center Street, Chatham, Virginia 24531*

IDA BOARD MEETING PACKET

**REGULAR MEETING
TUESDAY, FEBRUARY 13, 2018
6:00 P.M.**

**Eddie L. Hite, Jr., Chairman
Charlie Mahan, Vice-Chairman
Stanley Simpson, Secretary/Treas.
Ron McMahan
Randy Anderson
Ronnie Haymore
Joey Faucette**



INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

MEETING

TUESDAY, FEBRUARY 13, 2018; 6:00 P.M.; COUNTY ADMINISTRATION BUILDING; MAIN CONFERENCE ROOM; 1 CENTER STREET, CHATHAM, VIRGINIA 24531

AGENDA

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF AGENDA – *pages 2 - 3*
- IV. APPROVAL OF PREVIOUS MEETING MINUTES
 - A. December 12, 2017 – *pages 4 - 7*
 - B. January 4, 2018 – *pages 8 - 11*
 - C. January 24, 2018 – *pages 12 - 13*
- V. REVIEW OF FINANCIAL STATEMENTS (*January and February*)- *pages 14 - 15*
 - A. BB&T Regular Checking
 - B. ANB Axxor Debt Reserve
 - C. ANB Loan (*Axxor*)
 - D. ANB Loan (*Intertape*)
- VI. NEW BUSINESS
 - A. Amend Stipend Resolution – *pages 16 - 18*
 - B. Audit Commitment Letter Execution, Approval and Payment Authorization – *pages 19 - 23*
- VII. ECONOMIC DEVELOPMENT UPDATE (*Matthew D. Rowe, Economic Development Director*)
- VIII. CLOSED SESSION
 - A. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

Legal Authority: Virginia Code § 2.2-3711(A)(8)
Subject Matter: Project Panel
Purpose: Discussion of Potential Performance Agreement

- B. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

Legal Authority: Virginia Code § 2.2-3711(A)(8)
Subject Matter: Project Solution
Purpose: Discussion of Potential Performance Agreement

- C. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community

Legal Authority: Virginia Code § 2.2-3711(A)(5)
Subject Matter: Project Power
Purpose: Economic Development Project Status Update

- D. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community

Legal Authority: Virginia Code § 2.2-3711(A)(5)
Subject Matter: Project Alphabet
Purpose: Economic Development Project Status Update

IX. RETURN TO OPEN SESSION & CLOSED SESSION CERTIFICATION

X. MATTERS FROM THE BOARD

XI. ADJOURN

IV.

Approval of Minutes

(Regular Meeting December 12, 2017)
(Special Called Meeting January 4, 2018)
Special Called Meeting January 24, 2018)



**INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA**

**COUNTY ADMINISTRATION BUILDING; CONFERENCE ROOM #1;
1 CENTER STREET; CHATHAM, VIRGINIA, 24531; TUESDAY, DECEMBER 12, 2017; 6:00 P.M.**

MEETING MINUTES

IDA Members Present:

Eddie L. Hite, Jr. (Chairman)
Stanley Simpson (Sec./Treas.)
Charlie Mahan (Vice-Chairman)
Ronnie Haymore
Ron McMahan
Randy Anderson
Joey Faucette

Staff Present:

Brenda O. Robertson (IDA Clerk/Legal Secretary)
J. Vaden Hunt, Esq. (IDA Attorney/County Attorney)

Also in Attendance:

Matthew D. Rowe (Economic Development Director)
Ashley M. Wolfe (Economic Development Project
Manager)
David M. Smitherman (County Administrator)
Hon. Robert W. Warren (BOS; Chairman)

I. Call to Order:

Meeting called to order by Hite at 6:00 P.M.

II. Roll Call:

Roll call by Robertson. All IDA members present.

III. Approval of Agenda:

Motion by Haymore, seconded by Anderson, to approve Agenda, adding item VI.(H), Intertape's Local Performance Agreement, for approval and execution by Chairman. Motion carried unanimously.

IV. Approval of Meeting Minutes (November 2017):

Motion by Haymore, seconded by Anderson, to approve November 13, 2017, Regular Meeting minutes. Motion carried unanimously.

V. Review of Financial Statements (December 2017):

A. Regular Checking

IDA Regular Checking Account balance as of December 6, 2017, was \$305,632.39.

B. Axxor Debt Reserve

Axxor Debt Reserve Account ANB balance as of December 6, 2017, was \$366,300.56.

C. ANB Loan (Axxor)

ANB Loan Account (Axxor) balance as of December 6, 2017, was \$1,501,612.75.

D. ANB Loan (Intertape)

ANB Loan Account (Intertape) balance as of December 6, 2017, was \$3,573,068.45.

VI. New Business:

A. Master Lease Financing Program Discussion (VanDerHyde):

VanDerHyde explained to IDA Members the need to proceed with Master Lease Financing Program ("MLFP") will no burden on the IDA. VanDerHyde distributed a break-down of the County's needs at the Landfill, Courthouse, Library, and Economic Development Projects, to be covered by the MLFP.

B. Budget Reinstatement Letter Execution Authorization:

No action taken for reinstatement of \$14,024.00 budget; item will be tabled until further notice.

C. Approve Refund Closing Check transfer to AXXOR Debt Reserve Account:

Motion by Haymore, seconded by Faucette, to approve BB&T transfer of \$6,199.56 into Axxor's Debt Reserve Account from reimbursement of Axxor's refinancing closing costs. Motion carried unanimously.

D. Election of 2018 Officers (Chair, Vice-Chair, and Sec/Treas.):

Motion by Haymore, seconded by Simpson to nominate Hite as Chairman. Motion carried unanimously. Motion by Faucette, seconded by Haymore to nominate Mahan as Vice-Chairman. Motion carried unanimously. Motion by McMahon, seconded by Anderson to nominate Simpson as sec/Treas. Motion carried unanimously.

E. IDA By-Laws Adpotion:

Motion by Anderson, seconded by Haymore, to approve IDA By-laws. Motion carried unanimously.

F. 2018 Annual IDA Stipend Resolution:

Motion by Anderson, seconded by Manan, to adopt Resolution #2017-12-01, amending the IDA Annual Stipend, from \$600.00 to \$550.00, for tax purposes. The correspondence will be potential amended at next IDA meeting

G. Economic Development Strategic Plan RFO Update (Rowe):

Rowe gave an update on the County's Economic Strategic Plan, Southern and Northern projects, and discussed existing County projects.

H. Intertape Local Performance Agreement (Approval and Execution by Chairman):

Motion by Faucette, second by Haymore, to approve Intertape Local Performance Agreement and authorize Chairman to execute same. Motion carried unanimously.

VII. Closed Session:

Motion by Mahan, seconded by Faucette, to enter Closed Session at 6:44 P.M.

A. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating

or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel

1. Legal Authority: Virginia Code § 2.2-3711(A)(5)
Subject Matter: Project Solution
Purpose: Economic Development Project Status Update
2. Legal Authority: Virginia Code § 2.2-3711(A)(5)
Subject Matter: Project Apple
Purpose: Economic Development Project Status Update

VIII. Return to Open Session and Closed Session Certification:

Motion by Anderson, seconded by McMahon, to return to Open Session. Hite entered Open Session at 7:02 P.M.

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
CLOSED MEETING CERTIFICATION**

BE IT RESOLVED that at the Meeting of the Pittsylvania County Industrial Development Authority on Tuesday, December 12, 2017, the IDA Board members hereby certify by a recorded vote that to the best of each Board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. If any member believes that there was a departure from the requirements of the Code, he shall so state prior to the vote indicating the substance of the departure. The statement shall be recorded in the IDA's minutes.

	<u>Vote</u>
Eddie L. Hite, Jr., Chairman	Yes
Charlie Mahan, Vice-Chairman	Yes
Stanley Simpson, Secretary/Treas.	Yes
Randy Anderson	Yes
Ron McMahon	Yes
Ronnie Haymore	Yes
Joey Faucette	Yes

IX. Matters from IDA Board Members:

None.

XI. Adjourn:

With there being no further business, motion by Haymore, second by Anderson, to adjourn meeting. Motion carried unanimously. Hite adjourned meeting at 7:07 P.M.

Respectfully Submitted,

Approved:

W. Stanley Simpson, Sec./Treas.

Eddie L. Hite, Jr., Chairman

**Pittsylvania County Board of Supervisors
and
Industrial Development Authority**

**Joint Meeting
January 4, 2018**

VIRGINIA: The Joint Meeting of the Pittsylvania County Board of Supervisors and Industrial Development Authority was held on Thursday, January 4, 2018 in Conference Room #1, in the County Administration Building located at 1 Center Street in Chatham, Virginia 24531.

Mr. Warren, Chair for the Board of Supervisors, called the meeting to order at 5:30 pm.

Roll Call by Ms. Flippen for the BOS members:

Tim R. Barber	Tunstall District
Joe B. Davis	Dan River District
Ronald S. Scearce	Westover District
Jessie L. Miller	Banister District
Jerry A. Farmer	Callands-Gretna District
Elton W. Blackstock, Jr.	Staunton River District
Robert W. Warren	Chatham-Blairs District

Roll Call by Ms. Robertson for the IDA members:

Joey Faucette	Chatham-Blairs District
Randy Anderson	Banister District (<i>arrived late</i>)
Ronnie L. Haymore	Tunstall District
Stanley Simpson	Staunton River District
Charlie Mahan	Callands-Gretna District
Ronald McMahan	Westover District
Eddie L. Hite	Dan River District

All members present

Mr. David M. Smitherman, County Administrator and Clerk of the Board; Mr. J. Vaden Hunt, County Attorney and Attorney for the Industrial Development Authority; Mr. Greg L. Sides, Assistant County Administrator for Planning & Administration, Mr. Matthew Rowe, Director of Economic Development, Ms. Ashley Wolfe, Economic Development Manager, Ms. Brenda Robertson, Clerk for the IDA; and Ms. Rebecca Flippen, Deputy Clerk were also present.

Items Added

Motion was made by Mr. Blackstock, seconded by Mr. Barber, to add the following Closed Session to the agenda:

Authority:	2.2-3711(A)(6) of the Code of Virginia, 1950, as amended
Subject Matter:	Project Calcium
Purpose:	Discussion of Potential Purchase Letter of Intent
Authority:	2.2-3711(A)(5) of the Code of Virginia, 1950, as amended
Subject Matter:	Project Panel

Purpose: Economic Development Project Status Update

The following Roll Call Vote by a righthand vote was recorded. Mr. Blackstock's motion was unanimously approved by the BOS and IDA board.

Approval of Agenda

Motion was made by Mr. Blackstock, seconded by Mr. Davis, to approve the agenda with the following items to be added as Item 5(B) and 5(C) as amended, and the following Roll Call Vote was recorded: Mr. Barber-Yes; Mr. Farmer-Yes; Mr. Blackstock-Yes; Mr. Scearce-Yes; Mr. Davis-Yes; Dr. Miller-Yes; and Mr. Warren-Yes. Mr. Blackstock's motion was unanimously approved by the Board.

Motion was made by Mr. Haymore, seconded by Dr. Faucette, to approve the agenda with the additional item, which was unanimously approved by the IDA, with the exception of Mr. Anderson, who arrived thereafter.

Motion by Mr. Blackstock, seconded by Mr. Davis, to approve Resolution 2018-01-01, in support of an application for the FY 2018 Tobacco Commission Southern Area Economic Development Grants Program for a 100,000 square foot shell building, which was unanimously approved by the Board. The Board of Supervisors approved their LOS at their November 28, 2018 meeting.

Motion by Dr. Faucette, seconded by Mr. Haymore to approve the Letter of Support for the SSED Grant "Southern Virginia Regional Transportation Project," and authorized IDA Chair to execute. Motion unanimously carried.

Closed Session

Motion was made by Mr. Blackstock, seconded by Mr. Barber, to enter into Closed Session, and the following Roll Call Vote was recorded: Mr. Barber-Yes; Mr. Farmer-Yes; Mr. Blackstock-Yes; Dr. Miller-Yes; Mr. Scearce-Yes; Mr. Davis-Yes; and Mr. Warren-Yes.

Motion was made by Dr. Faucette, seconded by Mr. Haymore, to enter into Closed Session at 5:45 P.M. for the following matters:

(A) Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

Authority:	2.2-3711(A)(8) of the Code of Virginia, 1950, as amended
Subject Matter:	Project Apple
Purpose:	Discussion of Potential Economic Development Incentive Package

(B) Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

Authority: 2.2-3711(A)(6) of the Code of Virginia, 1950, as amended
Subject Matter: Project Calcium
Purpose: Discussion of Potential Building Purchase Letter of Intent

(C) Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

Authority: 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended
Subject Matter: Project Panel
Purpose: Economic Development Project Status Update

Return to Open Session & Closed Session Certification

Motion by Mr. Blackstock, seconded by Dr. Miller, to return to Open Session.

Motion by Mr. Anderson, seconded by Dr. Faucette, to return to Open Session.

Open Session at 6:22 P.M.

The following Roll Call Vote of the Board was recorded: Mr. Barber-Yes; Mr. Farmer-Yes; Mr. Blackstock-Yes; Mr. Scearce-Yes; Mr. Davis-Yes; Dr. Miller-Yes; and Mr. Warren-Yes. Mr. Blackstock's motion was unanimously approved by the Board.

The following Roll Call Vote of the IDA was recorded: Dr. Faucette-Yes; Mr. Anderson-Yes; Mr. Mahan-Yes; Mr. Haymore-Yes; Mr. McMahan-Yes; Mr. Hite-Yes; and Mr. Simpson-Yes. Dr. Faucette's motion was unanimously approved by the IDA Board.

**PITTSYLVANIA COUNTY BOARD OF SUPERVISORS
CERTIFY CLOSED MEETING**

BE IT RESOLVED that at the Meeting of the Pittsylvania County Board of Supervisors on January 4, 2018, the Board hereby certifies by a recorded vote that to the best of each board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed or considered in the closed meeting. If any member believes that there was a departure from the requirements of the Code, he shall so state prior to the vote indicating the substance of the departure. The statement shall be recorded in the minutes of the Board.

	<u>Vote</u>
Tim R. Barber	Yes
Jerry A. Farmer	Yes
Elton W. Blackstock	Yes
Joe B. Davis	Yes
Ronald S. Scearce	Yes
Robert W. Warren	Yes
Jessie L. Miller	Yes

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
CERTIFY CLOSED MEETING**

BE IT RESOLVED that at the Meeting of the Pittsylvania County Industrial Development Authority on January 4, 2018, the Board hereby certifies by a recorded vote that to the best of each board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed or considered in the closed meeting. If any member believes that there was a departure from the requirements of the Code, he shall so state prior to the vote indicating the substance of the departure. The statement shall be recorded in the minutes of the Board.

	<u>Vote</u>
Eddie L. Hite	Yes
Joey Faucette	Yes
Randy Anderson	Yes
Ronnie L. Haymore	Yes
Stanley Simpson	Yes
Charlie Mahan	Yes
Ronald McMahan	Yes

Motion was made by Mr. Blackstock, seconded by Mr. Farmer, to approve an economic development incentive package for Project Apple, and the following Roll Call Vote was recorded: Mr. Barber-Yes; Mr. Farmer-Yes; Mr. Blackstock-Yes; Mr. Scearce-Yes; Mr. Davis-Yes; Dr. Miller-Yes; and Mr. Warren-Yes. Mr. Blackstock's motion was unanimously approved by the Board.

Motion was made by Dr. Fauette, seconded by Mr. Haymore to approve an economic development incentive package for Project Apple, and the following Roll Call Vote was recorded: Dr. Faucette-Yes; Mr. Anderson-Yes; Mr. Mahan-Yes; Mr. Haymore-Yes; Mr. McMahan-Yes; and Mr. Simpson-Yes. Dr. Fauette's motion was unanimously approved by the IDA.

Project Apple will recess to Secretary's public announcement, on January 10, 2018 at 11:00 a.m., at the Olde Dominion Agriculture Complex in Chatham, VA, 23531.

Motion by Mr. Blackstock, seconded by Mr. Davis to end the meeting at 6:23 P.M.

Respectfully Submitted,

Approved:

W. Stanley Simpson, Sec./Treas.

Eddie L. Hite, Jr., Chairman



**INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA**

**COUNTY ADMINISTRATION BUILDING; CONFERENCE ROOM #1;
1 CENTER STREET; CHATHAM, VIRGINIA, 24531; WEDNESDAY, JANUARY 24, 2018; 6:00 P.M.**

SPECIAL CALLED MEETING MINUTES

IDA Members Present:

Eddie L. Hite, Jr. (Chairman)
Stanley Simpson (Sec./Treas.)
Charlie Mahan (Vice-Chairman)
Ronnie Haymore
Ron McMahan
Randy Anderson
Joey Faucette

Staff Present:

Brenda O. Robertson (IDA Clerk/Legal Secretary)
J. Vaden Hunt, Esq. (IDA Attorney/County Attorney)

Also in Attendance:

Matthew D. Rowe (Economic Development Director)
Kim VanDerHyde (Finance Director)
Christopher G. Kulp (Partner), Hunton & Williams LLP)

I. Call to Order:

Meeting called to order by Hite at 6:00 P.M.

II. Roll Call:

Roll call by Robertson. All IDA members present.

III. Approval of Agenda:

Motion by Faucette, second by Haymore, to approve Agenda, adding item V., Closed Session. Motion carried unanimously.

IV. New Business:

VanDerHyde introduced Christopher G. Kulp, LLP, County's Bond Counsel, to IDA members. Kulp explained details of the Master Lease Financing to the IDA providing revenue for the following County Projects through Issuance of Lease Revenue Bonds in an aggregate principal amount not to exceed \$2,950.00: Proceeds acquisition and installation of the solid waste system improvements, the installation of a centrifugal water-cooled chiller for the Courthouse building, and renovation and equipping of an existing building to convert it for Public Library purposes, acquisition and upfit on an Industrial Facility in the Ringgold area. Kulp finally explained that the Board of Supervisors approved the same Financing at their last meeting. Motion by Faucette, seconded by Haymore to approve Master Lease Financing Resolution 2018-01-01. Roll call vote: Hite-Yes, Mahan-Yes, Simpson-Yes, McMahan-Yes, Anderson-Yes, Faucette-Yes, Haymore-Yes. Motion carried unanimously.

V. Closed Session:

Motion by Faucette, second by Mahan, to enter Closed Session at 6:07 P.M.

A. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community

- 1. Legal Authority: Virginia Code § 2.2-3711(A)(5)
 Subject Matter: Project Panel
 Purpose: Economic Development Project Status Update
- 2. Legal Authority: Virginia Code § 2.2-3711(A)(5)
 Subject Matter: Project Solution
 Purpose: Economic Development Project Status Update

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
 CLOSED MEETING CERTIFICATION**

BE IT RESOLVED that at the Meeting of the Pittsylvania County Industrial Development Authority on Wednesday, January 24, 2018, the IDA Board members hereby certify by a recorded vote that to the best of each Board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. If any member believes that there was a departure from the requirements of the Code, he shall so state prior to the vote indicating the substance of the departure. The statement shall be recorded in the IDA's minutes.

Eddie L. Hite, Jr., Chairman	<u>Vote</u>
Charlie Mahan, Vice-Chairman	Yes
Stanley Simpson, Secretary/Treas.	Yes
Randy Anderson	Yes
Ron McMahan	Yes
Ronnie Haymore	Yes
Joey Faucette	Yes

VI. Matters from IDA Board Members:

None.

VII. Adjourn:

With there being no further business, motion by Haymore, second by Anderson, to adjourn meeting. Motion carried unanimously. Hite adjourned meeting at 7:30 P.M.

Respectfully Submitted,

Approved:

W. Stanley Simpson, Sec./Treas.

Eddie L. Hite, Jr., Chairman

V.

Review of Financial Statements

ACCOUNT	BALANCE
<i>January 2018</i>	
A. IDA Regular Checking Account	\$267,049.05
B. Axxor Debt Reserve Account	\$380,535.61
C. Axxor ANB Loan	\$1,492,314.02
D. Intertape ANB Loan	\$3,547,821.78

V.

Review of Financial Statements

ACCOUNT	BALANCE
<i>February 2018</i>	
A. IDA Regular Checking Account	\$297,264.85
B. Axxor Debt Reserve Account	\$388,614.46
C. Axxor ANB Loan	\$1,490,387.22
D. Intertape ANB Loan	\$3,536,571.28

VI. (A)
New Business

Amend Stipend Resolution (\$575.00)

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
RESOLUTION 2017-12-01**

STIPEND RESOLUTION

WHEREAS, Article III(3) of the Pittsylvania County Industrial Development Authority's ("IDA") By-Laws, states that the IDA "may receive a stipend and be reimbursed for necessary traveling and other expenses incurred in the performance of their duties, subject to the approval of the [the IDA's] Board of Directors;" and

WHEREAS, said stipend is required to be set annually, via Resolution, following an affirmative majority vote of the IDA's Board of Directors at the annual meeting, held on the second Tuesday in December of each year.

NOW THEREFORE, BE IT RESOLVED BY THE IDA, that the 2017 Annual IDA member stipend shall be \$575.00; said IDA stipend shall be paid regardless of meeting attendance; and

BE IT FURTHER RESOLVED, that IDA members acknowledge and agree that habitual IDA meeting non-attendance issues may be reviewed by the Pittsylvania County Board of Supervisors for potential corrective action measures; and

BE IT FINALLY RESOLVED, that IDA members shall also be reimbursed for necessary traveling and other expenses incurred in the performance of their official IDA duties, subject to IDA Board of Directors approval.

Adopted this 12th day of December, 2017.

Eddie L. Hite, Jr.
Chairman, Pittsylvania County Industrial Development Authority

ATTEST:

Brenda O. Robertson
Clerk, Pittsylvania County Industrial Development Authority

APPROVED AS TO FORM:

J. Vaden Hunt, Esq.
Pittsylvania County Attorney/IDA Attorney

Vote

Eddie L. Hite, Jr., Chairman	Yes
Charlie Mahan, Vice-Chairman	Yes
Stanley Simpson, Secretary/Treas.	Yes
Randy Anderson	Yes
Ron McMahon	Yes
Ronnie Haymore	Yes
Joey Faucette	Yes

Ayes

Nays

Abstentions

VI. (B)

New Business

Audit Commitment Letter
Harris, Harvey, Neal & Co., LLP
(Execution, Approval and Payment Authorization)

February 5, 2018

Board of Directors
Industrial Development Authority of Pittsylvania County, Virginia
Chatham, Virginia

We are pleased to confirm our understanding of the services we are to provide Industrial Development Authority of Pittsylvania County, Virginia for the year ended December 31, 2017. We will audit the financial statements of the business-type activities, including the related notes to the financial statements, which collectively comprise the basic financial statements of Industrial Development Authority of Pittsylvania County, Virginia as of and for the year ended December 31, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Industrial Development Authority of Pittsylvania County, Virginia's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Industrial Development Authority of Pittsylvania County, Virginia's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Industrial Development Authority of Pittsylvania County, Virginia's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees, and Other

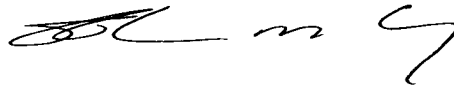
We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We expect to begin our audit on approximately March 19, 2018 and to issue our reports no later than May 1, 2018. Stephen M. Gay is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$3,550. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Industrial Development Authority of Pittsylvania County, Virginia and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

HARRIS, HARVEY, NEAL & CO., LLP



Stephen M. Gay, CPA
Partner

RESPONSE:

This letter correctly set forth the understanding of
Industrial Development Authority of Pittsylvania County, Virginia

Officer Signature

Title